National Energy Board
Office national de l'énergie

NewsRelease

444 Seventh Avenue SW, Calgary, Alberta T2P 0X8

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For immediate release
22 January 2008

NEB to Hear TQM 2007 and 2008 Cost of Capital Application

CALGARY — The National Energy Board (NEB) will hold an oral public hearing on 23 September 2008 to consider the 2007 and 2008 Cost of Capital application submitted by Trans Québec & Maritimes Inc. (TQM).

The application includes a request for the NEB to review its RH-2-94 Cost of Capital Decision released in March 1995, only as it applies to TQM. This Decision contains the formula that is used to calculate TQM's return on common equity (ROE) for 1996 and beyond.

TQM also asks the NEB for an order to approve an overall fair return on capital resulting from an ROE of 11.0 per cent applied to a deemed 40 per cent equity component of the company's capital structure. The calculation would also include TQM's actual cost of debt. Currently, the NEB's approved ROE based on the RH-2-94 Formula is 8.71 for 2008 and 8.46 for 2007.

If approved, these calculations would be used to determine the final tolls to be charged by TQM to its shippers between 1 January 2007 and 31 December 2008.

The NEB has identified a number of issues for discussion during the proceeding. These issues include, but are not limited to, the appropriate ROE, capital structure and cost of debt to be used by TQM during the 2007 and 2008 time period, as well as the principles and methodology that should form the basis for these determinations.

An oral public hearing for the current application will start on Tuesday, 23 September 2008 in Montreal, Quebec at a location yet to be determined.

Any person wishing to intervene in the hearing must file an application by 2:00 p.m. (EST), Friday, 8 February 2008 with the Secretary of the Board at the following address:

Ms. Claudine Dutil-Berry
Secretary of the Board
National Energy Board
444 Seventh Avenue S.W.
Calgary, AB T2P 0X8
Facsimile: 403-292-5503

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An on-line application form to intervene is also available on the NEB's Internet site at www.neb-one.gc.ca. In the right margin, click on "View or Submit a Regulatory Document", then "Submit documents electronically" and then scroll down and click on "Application for Intervenor Status".

The NEB is an independent federal agency that regulates several parts of Canada's energy industry. Its purpose is to promote safety and security, environmental protection, and efficient energy infrastructure and markets in the Canadian public interest, within the mandate set by Parliament in the regulation of pipelines, energy development and trade.

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This news release and the Hearing Order are available on the Board's Internet site at www.neb-one.gc.ca under *What's New*!

For further information:

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For a copy of Hearing Order RH-1-2008:

National Energy Board
Library
Telephone: (403) 299-3561
Email: library@neb-one.gc.ca